

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 863**

April 24, 2017

**SUMMARY OF BILL:** Excludes a student that fails to register for school within 21 days of the first day of school from the count of students when calculating a local education agency's (LEA's) graduation rate.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined. However, the Governor's recommended budget document, on page B-107, identifies \$1,123,714,400 in federal funding for K-12 schools.**

Assumptions:

- Based on information provided by the Department of Education (DOE), graduation rates are calculated based on federal guidelines pursuant to the Every Student Succeeds Act (ESSA).
- The ESSA requires all students to be part of a local education agency's graduation cohort.
- Changing the way graduation rates are calculated may put the state out of compliance with the ESSA; therefore a loss of federal funding at the discretion of the U.S. Department of Education (USDOE) is possible.
- The amount of federal funding that could be in jeopardy is unknown and dependent upon action of the USDOE; however, the Governor's recommended budget document identifies \$1,123,714,400 in federal funds to K-12 schools.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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